
EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 1-447/79

Report

drawn up on behalf of the Committee on Budgets
on Annex I (Economic and Social Committee) of
Section II - Council - of the draft general budget
of the European Communities for the financial year
1980

Rapporteur: Mr Robert JACKSON

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On 6 September 1979 the Committee on Budgets appointed Mr JACKSON rapporteur on Annex I (Economic and Social Committee).

At its meeting of 10 October 1979 the Committee on Budgets unanimously adopted the following resolution.

The amendments adopted by the Committee on Budgets at the same meeting are annexed to this report.

Present: Mr Lange, Chairman; Mr Notenboom, first Vice-Chairman; Mr Spinelli, second Vice-Chairman; Mr Jackson, rapporteur; Mr Adonnino, Mr Arndt, Mr Barbi, Mrs Boserup, Mr Colla, Mr Gouthier, Mrs Hoff, Mr Johnson (deputizing for Mr Tuckman), Mr Lega, Mr O'Leary, Mrs Pruvot (deputizing for Mr Nord) and Mr Simonnet.

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The Committee on Budgets hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on Annex I (Economic and Social Committee) of Section II - Council - of the draft general budget of the European Communities for the financial year 1980

The European Parliament,

- having regard to the draft general budget for the 1980 financial year and its explanatory memorandum (Doc. 1-378/79),
 - having regard to the report of the Committee on Budgets (Doc. 1-447/79),
1. Considers that the allowances of the members of the Economic and Social Committee should be increased in line with the increases in the cost of living and of the allowances of other Community bodies;
 2. Amends the draft budget to provide for 5 upgradings in the list of posts of the Committee;
 3. Subject to these amendments, approves Annex I (Economic and Social Committee) of the draft general budget of the European Communities for the financial year 1980.

EXPLANATORY STATEMENTThe estimates of the Economic and Social Committee

1. Your rapporteur notes that appropriations totalling 19,965,800 EUA are proposed for the Committee for 1980 (compared with 1979 appropriations of 16,599,400 EUA and actual expenditure of 14,195,978.59 EUA in 1978).
2. This significant increase (of more than 30% in two years) is partly justified by preparations for enlargement (fitting out of meeting rooms, additional office space, competitions to recruit Greek staff from 1981 etc.)
3. The Council has agreed to the following new posts for 1980:

1	A
4	B
1	C
1	D (total 7)

taking the establishment plan of the Economic and Social Committee from a total of 325 to 332 posts. In your rapporteur's view, this increase is reasonable and compares favourably with increases in other Community bodies and institutions.
4. Council has agreed to three regradings in the C grade. This did not satisfy the Economic and Social Committee which had sought 20 upgradings. While this package was very much a bargaining position, and while the Council was prepared to offer up to 7 regradings, the representatives of the Committee were not prepared to undertake to accept Council's proposals (thus agreeing not to seek European Parliament backing), and therefore **only the three upgradings** were included in the budget.
5. This incident highlights a problem as regards all the administrative budgets. Certain institutions and Community bodies still do not seem to realise that the European Parliament has the last word on all administrative expenditure. They concentrate their efforts on seeking to convince certain national delegations within Council, supplying them with very adequate information, well in advance, concerning their staff needs. All these efforts are to no avail because Council - ~~regrettably~~ tends to operate on a purely arbitrary basis when it comes to looking at staff requirements. Figures are arrived at as a result of horse-trading between national delegations with no account taken of the seriousness of the justifications provided.

Representatives of the other institutions are accordingly faced with two temptations. First, there is the temptation to submit to a form of blackmail by Council, inviting them to submit to agreements with the Council not to enter into discussions with the other part of the Budgetary Authority - the European Parliament - in exchange for the grant by Council of a certain number of the posts sought. Second, this in turn acts as a further inducement for these institutions to artificially increase their demands so that in the Council's horse-trading process - which inevitably involves arbitrary reductions - they are not disadvantaged.

6. Your rapporteur suggests that Council and the other institutions put an end to this fundamentally irresponsible and undignified ritual. They should recognise the independence of all the institutions and the rights of the European Parliament as a Budgetary Authority. The institutions should justify fully and publicly each demand for extra staff. They should present realistic estimates. And Council and Parliament should examine the estimates and their justification seriously, giving good grounds when well-reasoned requests are refused.

7. As regards the particular upgradings sought by the Economic and Social Committee, your rapporteur will table an amendment to grant the five further upgradings requested. This does not, however, derogate from the seriousness of the discussions on overall staff policy which the European Parliament must initiate as a result of the Spierenburg report on the Commission's administrative structure, and in the light of growing public disquiet concerning the management of the Community institutions.

Allowances of Members of the Committee

8. The Committee has submitted a request for an increase in the daily allowances of members of the Committee from 3,000 Belgian francs to 3,300 Belgian francs. The Committee's justification referred to the general increase in price levels since the most recent increase in the allowance two years ago, and to the increases in allowances given to members of other Community bodies.

9. Although Council has added an amount to the budget for increasing these allowances (180,000 EUA under Chapter 100), it has not agreed to these increases and considers that, on the basis of Article 6 of the merger Treaty, it has the right to decide on its own what the level of such allowances should be.

Article 6 of the Treaty reads:

'The Council shall, acting by a qualified majority, determine the salaries, allowances and pensions of the President and members of the Commission, and of the President, Judges, Advocates-General and Registrar of the Court of Justice. It shall also, again by a qualified majority, determine any payment to be made instead of remuneration.'

10. It appears to your rapporteur, however, that these payments are not 'made instead of remuneration'. They are comparable to the allowances paid to members of the European Parliament - the level of which is decided by the European Parliament - and not by Council. It therefore behoves both parts of the Budgetary Authority to decide upon the level of these allowances. Your rapporteur suggests that the increase sought by the Committee should be agreed to, and an amendment to the remarks under Chapter 100 is thus tabled.

Conclusion

11. With these reservations your rapporteur suggests that the Committee on Budgets approves the estimates of the Economic and Social Committee.


These estimates raise certain general questions, common to all the institutions, and relating to administrative structures and management procedures. Appropriately, your rapporteur will deal with these questions in his report on the revised estimates of the European Parliament.

DRAFT AMENDMENT

BUDGET

EUROPEAN PARLIAMENT

12 . OCTOBER . 1979 . . .

Doc. 378/182/rev. 

DRAFT
GENERAL BUDGET OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR 1980

DRAFT AMENDMENT No. 182/rev.

tabled by Mr R. JACKSON, on behalf of the Committee on Budgets

Section II - COUNCIL

Annex I - Economic and Social Committee

Staff posts - add to the establishment plan the following 5 post conversions:

1 A 7	into	A 6
1 LA 5	into	LA 4
1 B 2	into	B 1
2 C 5	into	C 3

A - Expenditure

Increase the payment appropriations in Title I by 14,210 EUA (from 11,684,500 EUA to 11,698,710 EUA)

B - Compensation

Reduce appropriations in Chapter 100 by 14,210 (from 1,788,000 EUA to 1,773,790 EUA)

C - Revenue

Increase revenue by 2,800 EUA

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Detailed analysis

Item 1100 - Basic salaries

+ 10,600 EUA (7,660,000 to 7,670,600)

Item 1101 - Family allowances

+ 880 EUA (628,000 to 628,880)

Item 1102 - Expatriation allowances (including those under Article 97 - ECSC Staff Regulations)	+ 1,580 EUA (1,139,000 to 1,140,580)
Item 1130 - Sickness insurance	+ 330 EUA (235,600 to 235,930)
Item 1131 - Accident insurance and occupational diseases	+ 110 EUA (80,600 to 80,710)
Item 119 - Provisional appropriations to cover any adjustment of the remuneration of officials and other servants of the European Communities	+ 710 EUA (513,000 to 513,710)
Chapter 100 - Provisional appropriations -	14,210 EUA (1,788,000 to 1,773,790)
Chapter 40 - Proceeds from taxation on the salaries, wages and allowances of officials and other staff	+ 2,010 EUA (1,450,000 to 1,452,010)
Chapter 41 - Staff contributions to the pension scheme	+ 790 EUA (570,000 to 570,790)

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JUSTIFICATION

These five conversions include both upgrading of posts and promotions within certain career brackets.

For the Committee, the question of conversions is one of particular importance. Indeed, they should make it possible to follow a staff policy in keeping with the letter and spirit of the Staff Regulations. In other words, it is on the one hand indispensable to upgrade certain jobs and to classify them at the level of the duties which some officials are, in fact, obliged to carry out as a consequence of the constant development of both the volume of work and the level of responsibility associated with their job. On the other hand, some conversions should make it possible to promote certain officials within their career bracket in cases where they have for many years been in the starting grade of their career bracket or even in the starting grade of a category (typists in C 5). This reflects the recruitment policy of the Institution which appoints new recruits at the basic grade of their category. Although this policy is correct it is restrictive and should be reviewed once the members of staff have demonstrated their ability. This measure is all the more necessary as staff are tempted to leave the Institution because of the lack of promotion opportunities (4 out of 49 staff have left in 8 months). Moreover, a comparative study has shown that the situation in the basic grades and particularly in category C is very serious in the Economic and Social Committee in relation to other Institutions.

DRAFT AMENDMENT

BUDGET

EUROPEAN PARLIAMENT

12 .OCTOBER. 1979..

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rev.



DRAFT

GENERAL BUDGET OF THE EUROPEAN COMMUNITIES FOR THE FINANCIAL YEAR 1980

DRAFT AMENDMENT No. 183..

tabled by Mr R. JACKSON, on behalf of the Committee on Budgets

SECTION II - COUNCIL

Annex I - Economic and Social Committee

Increase by Bfrs 300 the level of flat rate daily allowances to cover the subsistence expenses of members of the Economic and Social Committee

A - Expenditure

Increase the appropriations in Article 250 - formal and other meetings - by 110,000 ECU (from 2,148,000 ECU to 2,258,000 ECU)

B - Compensation

Reduce by 165,790 ECU the appropriations in Chapter 100 (from 1,788,000 ECU to 1,622,210 ECU)

C - Revenue

Justification

The members of the Economic and Social Committee have the right, pursuant to the arrangements on travel and subsistence expenses, approved by the Council, to the reimbursement of their travel expenses and to the payment of daily allowances at a flat rate to cover all their expenses while attending meetings.

The amount of these allowances had been fixed on the basis of parameters obtaining in March 1977 at Bfrs 3,000, and this amount applied only as from 1 January 1978.

The Committee has been able to show that the upward development of the parameters justifies an increase of more than 10%. Indeed, since March 1977, the Belgian index has increased by more than 10%, and the special HORECA index, i.e. the special index for hotels and restaurants, has increased by more than 12%. Moreover, prices of hotels in Brussels have increased on average by more than 12% since March 1977.

The Committee had asked that the allowances should be fixed at Bfrs 3,300 with effect from 1 January 1980, stressing that these allowances covered actual costs - hotels, restaurants, taxis and miscellaneous expenses - which the members of the Economic and Social Committee - leading figures of economic and social life - have to incur in the course of the many contacts which they have to establish in their country as preparation for the work of the Committee, and for which they are not paid.